



## ENTERPRISE ASSET MANAGEMENT

### Maximizing Return on Assets with an End-to-End Solution

What is your strategy for maximizing return on your enterprise assets? If your company is like most in asset-intensive industries, you are looking for ways to reduce operating costs, better manage capital expenditures, and improve asset utilization and maintenance. The SAP® Service and Asset Management solution provides complete, end-to-end, integrated capabilities for the entire enterprise asset management business process.

### Gaining Competitive Advantage with Better Asset Management Processes

These are challenging times for companies in capital-intensive industries like discrete and process manufacturing, chemicals, petroleum, utilities, mining, aerospace and defense, and facility management. Experts estimate that maintenance costs in these industries – which can represent 20% to 40% of operating costs<sup>1</sup> – have risen an average of 10% to 15% per year since 1979.<sup>2</sup> These experts also state that up to one-third of the nearly \$1 trillion spent annually for maintenance may actually be unnecessary.<sup>3</sup>

Companies are under increasing pressure to reduce costs, meet tougher performance and production targets, comply with regulatory requirements, and maximize return on assets. Those with vision are looking for opportunities to reduce the cost of maintaining their assets, improve the performance and extend the life of those assets, speed up information and decision making, and gain competitive advantage by optimizing business processes throughout the asset life cycle. A new, more collaborative and integrated approach to enterprise asset management (EAM) can yield significant savings and improve the operational performance of your asset investments. This new approach spans all phases of the asset life cycle – investment planning, specification, design, asset construction, operations and maintenance, and, ultimately, decommissioning and disposal.

<sup>1</sup> IBM Business Consulting Services (previously PriceWaterhouseCoopers)

<sup>2</sup> “Benchmarking Best Practices in Maintenance Management” by Terry Wireman

<sup>3</sup> Ibid

## Driving Profits through Maintenance Excellence

Are your physical and production assets underperforming? Do you spend too much time reacting to maintenance events or coordinating information across departments instead of proactively managing equipment uptime? Do you see an opportunity for a positive impact on the bottom line by improving your asset management processes?

If so, it may be time to look at asset management in a more holistic and collaborative business context. Like many other companies, you can drive profits by balancing performance, risk, and cost to achieve asset management excellence and the optimum return on your asset investments.

### Examples of Asset-Intensive Industries

- Aerospace and defense
- Automotive
- Chemical
- Facilities management
- Government and public sector
- High tech
- Mining
- Petroleum
- Transportation
- Utilities

## An End-to-End, Integrated Solution for Enterprise Asset Management

The SAP® Service and Asset Management solution provides complete, end-to-end, integrated capabilities for the EAM business process. This solution gives asset owners and operators, asset service providers, and all parties involved in the asset service network visibility into real-time, real-world awareness of asset

performance and maintenance issues. Real-world awareness, in turn, enables proactive response and rapid correction of concerns or problems.

EAM helps companies manage physical assets – production plants, capital equipment, vehicle fleets, and facilities complexes – over the complete asset life cycle. In conjunction with powerful reporting and analysis, the SAP solutions’s EAM capabilities enable you to reduce operating costs, better manage capital expenditure, and improve asset utilization.

To meet today’s demands for innovation, quality, timeliness, and value, your enterprise must get the most from your assets and facilities. You must manage these investments and related costs across the entire asset service network and throughout the entire life cycle. The SAP solutions’s comprehensive capabilities for EAM cover the total scope of the asset life cycle across the asset support network, including the following:

### Investment Planning, Asset Specification, and Design

- Business planning and simulation
- Investment management
- Collaborative engineering for specification and design
- Collaborative project management

### Procurement and Asset Construction, Installation, and Implementation

- Supplier qualification and candidate selection
- Bidding and contract management
- Collaborative project management
- Collaborative engineering for change management
- Information and document hand-over for commissioning and start-up
- Project and investment controlling

### **Maintenance and Operations Management**

- Technical assets management, including document and equipment data management
- Maintenance planning and execution
- Preventive and predictive maintenance
- Reliability-centered maintenance
- Environment, health, and safety (EH&S) management, complete with work clearance management
- Mobile asset management with radio frequency identification (RFID) integration
- Maintenance, repair, and operations (MRO) parts and services procurement
- MRO inventory management
- Employee and contractor management
- Integrated asset accounting and maintenance budgeting
- Asset performance analysis

### **Decommissioning and Disposal**

- Asset transfer and disposal
- Collaborative engineering and project management
- Waste management
- Regulatory compliance management
- Asset re-marketing

### **Powered by SAP NetWeaver™**

Based on the open architecture of the SAP NetWeaver™ platform, SAP Service and Asset Management can be seamlessly combined with SAP and non-SAP applications for networkwide asset service visibility and control.

SAP NetWeaver allows enhanced business flexibility and competitive advantage by enabling business process optimization across the asset life cycle, and collaboration among all the stakeholders in the EAM support network.

### **An EAM Solution at the Lowest Total Cost of Ownership**

SAP Service and Asset Management provides the lowest total cost of ownership. As an integrated solution for asset owner/operators and their service providers, the SAP software eliminates the need for implementing, learning, and maintaining disparate and often incompatible systems that must be linked by multiple, costly interfaces. Only SAP delivers out-of-the-box integration of EAM with other enterprise processes such as financials, inventory, procurement, HR, analytics, EH&S, and others.

### **About SAP Service and Asset Management**

SAP Service and Asset Management helps organizations install, maintain, repair, and decommission and dispose of products, equipment, assets, and facilities. Such services can be provided to customers – for a profit – or delivered by an internal organization to maintain in-house equipment and assets. SAP Service and Asset Management enables service and maintenance organizations to grow service-related revenues when service is delivered for a fee, improve service efficiency and productivity, reduce maintenance operations costs, increase equipment uptime and reliability, trim investments in service spare parts, improve ROA, boost bottom-line performance, and increase customer and end-user satisfaction and loyalty.

For more details on how EAM software from SAP can help your company manage end-to-end asset management processes and become more competitive, visit our Web site at [www.sap.com/contactsap](http://www.sap.com/contactsap)

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